

Maine Revised Statutes

Title 32: PROFESSIONS AND OCCUPATIONS

Chapter 69-B: REGULATIONS OF THE SALE OF BUSINESS OPPORTUNITIES

§4693. REQUIRED DISCLOSURE

The disclosure statement must include the following information accurately, clearly and concisely stated, in a legible written document. A disclosure statement meeting the criteria of any rules or regulations of the Federal Trade Commission requiring disclosure statements by sellers fulfills the requirements of this section to the extent that the substituted disclosure statement meets or exceeds the requirements of this section: [1991, c. 210, §3 (AMD) .]

1. Information. The official name, address and principal place of business of the seller and any affiliated person;

[1979, c. 571, (NEW) .]

2. Notice. The following notice: As required by Maine law, we have secured a bond in the amount of \$30,000 issued by _____ . (Name and address of surety company)

Before signing a contract to purchase a business opportunity, you should check with the surety company to determine the current status of the bond.

or

As required by Maine law, we maintain an escrow account in the amount of \$30,000 in the _____ . (Name and address of licensed bank or savings institute)

Before signing a contract to purchase a business opportunity, you should check with the licensed bank or savings institute to determine the current status of the escrow account.

[2013, c. 424, Pt. B, §11 (AMD) .]

3. Statement. A statement describing:

A. The total funds that must be paid by the purchaser to the seller or an affiliated person in order to obtain or commence the business opportunity operation, including, but not limited to, deposits, down payments and fees; [1991, c. 210, §4 (AMD) .]

B. As to each of these fees or deposits, whether they are refundable or returnable and under what conditions they may be refunded or returned; and [1979, c. 571, (NEW) .]

C. The recurring fees required to be paid by the purchaser to the seller, affiliated person or unaffiliated 3rd person; [1979, c. 571, (NEW) .]

[1991, c. 210, §4 (AMD) .]

4. Statement of cost. A statement describing and listing the cost to the purchaser of any services, supplies, products, inventories, signs, real estate, fixtures or equipment relating to the establishment or operation of the business opportunity which the purchaser is directly or indirectly required by the seller to purchase, lease or rent from any person, including a list of the names and addresses of those persons and whether they are affiliated persons;

[1979, c. 571, (NEW) .]

5. Description of services provided. A description of the services that the seller or affiliated person provides to purchasers, including, but not limited to, a description of the services which the seller or affiliated persons provides with regard to securing retail outlets or sites for purchasers;

[1979, c. 571, (NEW) .]

5-A. Licenses and permits. A detailed description of any licenses or permits that are necessary in order for the purchaser to engage in or operate the business opportunity.

[1991, c. 210, §5 (NEW) .]

6. Limitations. A statement describing whether the purchaser is:

A. Limited in the goods or services which he may offer for sale; [1979, c. 571, (NEW) .]

B. Limited in the customers to whom he may sell goods or services; [1979, c. 571, (NEW) .]

C. Limited in the geographic area in which he may sell goods or services; or [1979, c. 571, (NEW) .]

D. Granted territorial protection by the seller, by which the seller will not establish another, or more than any fixed number of, similar business opportunities in a particular area or territory; [1979, c. 571, (NEW) .]

[1979, c. 571, (NEW) .]

7. Other purchasers. The names and last known addresses of the greater of:

A. All purchasers of the seller who currently operate or have operated a business opportunity in the State within the previous 5 years; or [1979, c. 571, (NEW) .]

B. The 10 purchasers who currently operate or have operated a business opportunity nearest the prospective purchaser's intended location within the previous 5 years; [1979, c. 571, (NEW) .]

[1979, c. 571, (NEW) .]

8. Statement of conditions of termination. A statement disclosing the conditions under which the business opportunity may be terminated by either the seller or purchaser;

[1979, c. 571, (NEW) .]

9. Copy of contracts. A copy of all contracts or agreements relating to the sale of the business opportunity;

[1979, c. 571, (NEW) .]

10. Sales. If the seller makes or intends to make any representations, oral or written, to a prospective purchaser concerning:

A. Estimated, projected or potential sales, income and gross or net profit for that prospective purchaser; or [1979, c. 571, (NEW) .]

B. The specific level of sales, income and gross or net profits of existing business opportunities:

A statement:

(1) Describing the representations;

(2) Setting forth the total number of purchasers operating business opportunities similar to that being offered by the seller who have received earnings in the amount or range specified within the 3 years preceding the date of the disclosure statement;

(3) Setting forth the total number of purchasers operating business opportunities similar to that being offered by the seller within the 3 years preceding the date of the disclosure statement; and

(4) Containing the following notice in conspicuous type:

We are required by law to have in our possession materials which constitute a reasonable basis for representations concerning estimated, projected and actual sales, income and gross or net profits.

We will provide you with this information upon your request. [1979, c. 571, (NEW) .]

[1979, c. 571, (NEW) .]

11. Trademarks of seller. If the seller uses the trademark, service mark, trade name, logotype, advertising or other commercial symbol of any business which does not either control the ownership interest in the seller or accept responsibility for all representations made by the seller in regard to the business opportunity, a statement that the owner of the commercial symbol is not involved in the sale of the business opportunity; and

[1979, c. 571, (NEW) .]

12. Notice. The following notice:

Pursuant to Maine statute you have the right to avoid the contract for purchase of this business opportunity within 3 business days following the signing of the contract. You should obtain and study a copy of the law regulating the sale of business opportunities before you attempt to avoid the contract. This law is found in the Maine Revised Statutes, Title 32, section 4698.

[1979, c. 571, (NEW) .]

13. Additional information. Any additional information that the Securities Administrator requires by rule.

[1991, c. 210, §5 (NEW) .]

SECTION HISTORY

1979, c. 571, (NEW). 1991, c. 210, §§3-5 (AMD). RR 2009, c. 2, §89 (COR). 2013, c. 424, Pt. B, §11 (AMD).

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